



AN ACT INCLUDING STREETS AND ROADS AMONG THE UNDERTAKINGS FOR WHICH A MUNICIPALITY MAY ISSUE REVENUE BONDS; AMENDING SECTIONS 7-7-4402 AND 7-7-4424, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 7-7-4402, MCA, is amended to read:

"7-7-4402. Definitions. Whenever used in this part, unless a different meaning clearly appears from the context, the following definitions apply:

(1) ~~The term "governing body" shall include bodies and boards, by whatsoever names they may be known, having~~ "Governing body" means a body or board that has charge of finances and management of a municipality.

(2) ~~The term "municipality" shall include any~~ "Municipality" means a city or any town, however organized.

(3) ~~The term "undertaking" shall mean any~~ "Undertaking" means one or a combination of the following:

(a) water and sewer systems, together with all parts ~~thereof~~ of the systems and appurtenances ~~thereto~~ to the systems, including but not limited to supply and distribution systems, reservoirs, dams, and sewage treatment and disposal works;

(b) public airport construction and public airport building;

(c) convention facilities;

(d) public recreation facilities; ~~and~~

(e) streets and roads; and

~~(e)(f)~~ (f) public parking facilities, solid waste management systems, or other revenue-producing facilities and services authorized ~~in these codes~~ for cities and towns."

Section 2. Section 7-7-4424, MCA, is amended to read:

"7-7-4424. Undertakings to be self-supporting. (1) (a) The ~~Except as provided in subsections (1)(b) and (1)(c),~~ the governing body of a municipality issuing bonds pursuant to this part shall prescribe and collect

reasonable rates, fees, or charges for the services, facilities, and commodities of the undertaking and shall revise the rates, fees, or charges from time to time whenever necessary so that the undertaking is and remains self-supporting.

(b) The property taxes specifically authorized to be levied for the general purpose served by an undertaking or resort taxes approved, levied, and appropriated to an undertaking in compliance with 7-6-1501 through 7-6-1509 constitute revenue of the undertaking and may not result in an undertaking being considered not self-supporting.

(c) Revenue from assessments and fees enacted by local ordinance constitutes revenue of the undertaking and may not result in an undertaking being considered not self-supporting.

(2) The rates, fees, or charges prescribed, along with any appropriated property or resort tax collections, must produce revenue at least sufficient to:

(a) pay when due all bonds and interest on the bonds, for the payment of which the revenue has been pledged, charged, or otherwise encumbered, including reserves for the bonds; and

(b) provide for all expenses of operation and maintenance of the undertaking, including reserves."

Section 3. Effective date. [This act] is effective on passage and approval.

- END -

I hereby certify that the within bill,
SB 0294, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2009.

Speaker of the House

Signed this _____ day
of _____, 2009.

SENATE BILL NO. 294

INTRODUCED BY K. GILLAN

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